

**SECRET**

DPD-0408-59  
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12 January 1959

MEMORANDUM FOR : Comptroller, DPD

SUBJECT : Report of Audit, Contract No. LW-473,  
The Perkin-Elmer Corp.

1. Attached is a copy of Report of Audit #261 with The Perkin-Elmer Corporation for the fiscal year ending 30 June 1958.

2. Pursuant to this report and the Contractor's Invoice No. 13203 the contract will be amended to increase the final allotment for the period 25 November 1957 to 30 June 1958 by

[REDACTED]

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[REDACTED]  
Contracting Officer, DPD

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DPD-DD/[REDACTED]:pf

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Distribution:

- Orig - Addressee
- ✓ 2 - LW-473 (A&I)
- 3 - Audit file
- 4 - Chrono

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DPD-0122-57

#261

REPLY TO:

HQ Eastern District  
Auditor General  
Comptroller, USAF  
Liaison Office  
Washington, D.C.

6 January 1959

SUBJECT: Supplementary Report of Audit  
Technical Representative Contract LW-473  
The Perkin-Elmer Corporation  
Norwalk, Connecticut  
Period: 1 December 1957 to 30 June 1958

TO : Contracting Officer

REF : Verbal Request of J.P. on 25 November 1958

1. As requested, we have extended the scope of our interim audit to include additional billings made by the contractor against funds committed for the fiscal year ended 30 June 1958, which were claimed after the issuance of our previous audit report for subject period.

2. The net amount billed against funds for the fiscal period 25 November 1957 to 30 June 1958, thru Final Invoice No. 13203, in the amount of [REDACTED], is recommended for provisional approval subject to the qualifications mentioned in Par. 2 of our previous audit report and the following additional qualifications:

a. In Invoice No. 13185 the contractor is claiming the difference between the Engineer "A" provisional rate of [REDACTED] and the final negotiated rate of [REDACTED] in the amount of \$287. Although no contract amendment has yet been issued authorizing the increased rate we were informed that the revised rate of [REDACTED] was agreed to by the Contracting Officer. STATINTL

b. Funds provided for the fiscal period 25 November 1957 to 30 June 1958, as per contract Amendment No. 1, [REDACTED] Although the amount claimed exceeds this amount by [REDACTED] informed that the Contracting Officer has agreed to provide the additional funds, although no contractual coverage presently exists for this over-expenditure. STATINTL

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Supplementary Report of Audit, Technical Representative Contract  
LM-473, The Perkin-Elmer Corporation, Norwalk, Connecticut, Period:  
1 December 1957 to 30 June 1958 - (Cont'd)

3. In our previous audit report the amount of [redacted],  
billed thru Invoice No. 12527, was recommended for provisional  
approval. The additional amount of \$1,991 now provisionally approved  
consists of the following:

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a. Additional costs due to revised hourly rate for  
Engineer "A" category (Par. 2.a. above), [redacted]

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b. G & A on travel costs not previously claimed, [redacted].

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4. Basis for Acceptance of General & Administrative Expenses  
on Travel Costs:

a. The contract states that travel expense is reimbursable  
at "actual transportation costs plus [redacted] per day per diem".

STATINTL

b. The contractor's consistent accounting practice has  
been to include transportation costs in the cost of sales base used  
for apportionment of G & A expense. Therefore, G & A expense on  
these transportation costs becomes allocable to this contract and is  
not otherwise recoverable by the contractor.

c. G & A on labor was included as part of the contract  
Hourly Rates.

d. The rate claimed, [redacted] appears reasonable since the  
actual book rate for the fiscal year ended 31 July 1958 was [redacted]  
Cost disallowances for the two preceding fiscal years averaged [redacted]  
per year (See audit report for contract SC-45-12).

STATINTL

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STATINTL

5. Audit adjustments in our prior audit report were definitized  
as follows:

Additional amount due contractor -  
claimed on Invoice No. 12885

Overbilling of transportation costs -  
deducted by contractor on  
Invoice No. 13203

Net additional amount due contractor

25X1

WALTER H. GROGS  
Liaison Officer  
Eastern District  
Auditor General